



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

The Honorable Hubert H. Humphrey
President of the Senate
Washington, D. C. 20510

Dear Mr. Humphrey:

This letter transmits for the consideration of the Congress, a draft bill to amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes. The purpose of the proposed bill is to provide for technical amendment to legislative authorities pertaining to the Central Intelligence Agency. Some of the provisions are necessary to achieve desired legal clarification of existing Agency authority. Others are necessary to provide authorities which have been granted by Congress elsewhere in Government for travel, medical care, claims, retirement and similar housekeeping-type programs.

We consider enactment of the proposed bill to be essential to the effective performance of our mission and would appreciate early and favorable consideration. The Bureau of the Budget has advised that there is no objection to the presentation of the proposed bill to the Congress from the standpoint of the Administration's program.

Sincerely,

Richard Helms
Director

Enclosures

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ORIGINAL DOCUMENT MISSING PAGE(S):

ENCLOSURE

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended,
and for other purposes.

1 Be it enacted by the Senate and House of Representatives of
2 the United States of America in Congress assembled,

3 TITLE I

4 SEC. 101. This title may be cited as the "Central Intelligence
5 Agency Act Amendments of 1967".

6 SEC. 102. The Central Intelligence Agency Act of 1949, 63
7 Stat. 208, as amended (50 U.S.C. 403 a through j), is further
8 amended as follows:

9 (a) Section 3 of the Act (50 U.S.C. 403c) is amended by
10 striking subsections (a) and (b) and substituting the following:

11 "(a) In the performance of its functions, the Agency is authorized
12 to exercise the authorities contained in sections 2301; 2302 (2) and (3);
13 2303 (b) and (c); 2304 (a), (1), (2), (3), (4), (5), (6), (10), (12), (15),
14 and (17); 2305; 2306; 2307; and 2312 of title 10, United States Code.

15 "(b) In the exercise of the authorities granted in subsection (a)
16 of this section, the term 'Agency head' shall mean the Director, the
17 Deputy Director, or the Executive Director."

18 (b) Subsection 3(d) of the Act (50 U.S.C. 403c) is amended by
19 deleting the words "section 2(c) and section 5(a) of the Armed Services

1 Procurement Act of 1947" from the first sentence and substituting
2 therefor, "section 2304(a) and section 2307 of title 10, United
3 States Code." Section 3(d) is further amended by deleting the
4 words "section 2(c) by section 4 or by section 5(a) of the Armed
5 Services Procurement Act of 1947" from the second sentence and
6 substituting therefor, "section 2304(a), by section 2306 or by
7 section 2307 of title 10, United States Code."

8 SEC. 103. Section 4 of the Central Intelligence Agency Act
9 (50 U.S.C. 403e) is amended by inserting the word and comma
10 "abroad," after the word "assigned" in the first sentence, and by
11 striking the last word of the sentence "shall", and inserting in lieu
12 thereof the word "may".

13 SEC. 104. Section 4 of the Central Intelligence Agency
14 Act (50 U.S.C. 403e) is amended by adding the following new para-
15 graph:

16 "(1)(G) pay the travel expenses of officers and employees of
17 the Agency and members of their families, while serving at posts
18 specifically designated by the Director for purposes of this paragraph,
19 for rest and recuperation to other locations abroad having different
20 environmental conditions than those at the post at which such officers

1 and employees are serving, provided that such travel expenses
2 shall be limited to the cost for each officer or employee and members
3 of his family of one round trip during any continuous two-year tour
4 unbroken by home leave and two round trips during any continuous
5 three-year tour unbroken by home leave;"

6 SEC. 105. Section 4 of the Central Intelligence Agency Act
7 (50 U.S.C. 403e) is amended by adding the following new paragraph:

8 "(1)(H) pay the travel expenses of members of the family
9 accompanying, preceding, or following an officer or employee if,
10 while he is en route to his post of assignment, he is ordered tempo-
11 rarily for orientation and training or is given other temporary duty."

12 SEC. 106. Section 4(3)(A) of the Central Intelligence Agency
13 Act (50 U.S.C. 403e) is amended to read as follows:

14 "(3)(A) order to any of the several States of the United States
15 of America (including the District of Columbia, the Commonwealth
16 of Puerto Rico, and any territory or possession of the United States)
17 on leave of absence authorized in section 203(f) of the Annual and
18 Sick Leave Act of 1951, as amended, each officer or employee of the
19 Agency who was a resident of the United States (as described above)
20 at the time of employment, upon completion of three years' continuous

1 service abroad or as soon as possible thereafter, or may so order
2 after completion of eighteen months' such service without regard to
3 the limitation contained in section 203(f) of the Annual and Sick
4 Leave Act of 1951, as amended."

5 SEC. 107. Section 4(5) of the Central Intelligence Agency Act
6 (50 U.S.C. 403e) is amended by striking subsections (A) and (C) and
7 inserting in lieu thereof the following new paragraphs (A) and (C):

8 "(A) in the event an officer or employee of the Agency, or
9 one of his dependents, requires medical care, for illness or injury
10 not the result of vicious habits, intemperance, or misconduct, while
11 on assignment abroad in a locality where there is no qualified person
12 or facility to provide such care, pay the travel expenses of such
13 officer, employee, or dependent by whatever means deemed appropriate
14 by the Agency, including the furnishing of transportation, and without
15 regard to the Standardized Government Travel Regulations and section
16 10 of the Act of March 3, 1933, as amended (60 Stat. 808; 5 U.S.C. 73b),
17 to the nearest locality where suitable medical care can be obtained
18 and on his recovery pay for the travel expenses of his return to his
19 post of duty. If any such person is too ill to travel unattended, or in
20 the case of a dependent too young to travel alone, the Agency may

1 also pay the round-trip travel expenses of an attendant or attendants;"

2 "(C)(i) in the event of illness or injury requiring hospitaliza-
3 tion or similar treatment incurred by an officer or employee of the
4 Agency while on assignment abroad, not the result of vicious habits,
5 intemperance, or misconduct on his part, pay for the cost of treatment
6 of such illness or injury;

7 "(ii) in the event a dependent of an officer or employee of the
8 Agency who is assigned abroad, incurs an illness or injury while
9 such dependent is located abroad, which requires hospitalization or
10 similar treatment, and which is not the result of vicious habits,
11 intemperance, or misconduct on his part, pay for that portion of the
12 cost of treatment of each such illness or injury that exceeds \$35
13 up to a maximum limitation of one hundred and twenty days of treat-
14 ment for each such illness or injury, except that such maximum
15 limitation shall not apply whenever the Agency, on the basis of
16 professional medical advice, shall determine that such illness or
17 injury clearly is caused by the fact that such dependent is or has
18 been located abroad;"

19 SEC. 108. Section 4 of the Central Intelligence Agency Act
20 (50 U.S.C. 403e) is amended by adding the following new paragraph:

1 "(8) provide appropriate orientation and language training
2 to members of family of officers and employees of the Agency in
3 anticipation of the assignment abroad of such officers and employees,
4 or while abroad."

5 SEC. 109. Section 5 of the Central Intelligence Agency Act
6 (50 U.S.C. 403f) is amended by adding the following new paragraph:

7 "(f) Appoint advisory committees and employ, notwithstanding
8 any other provisions of law, part-time advisory personnel necessary
9 to carry out the functions of the Agency. Persons holding other
10 offices or positions under the United States for which they receive
11 compensation, while serving as members of such committees, shall
12 receive no additional compensation for such service. Other members
13 of such committees and part-time advisory personnel so employed
14 may serve without compensation or may receive compensation at
15 rates determined by the Director, not to exceed \$100 per day, for
16 the assignment or position."

17 SEC. 110. Section 5 of the Central Intelligence Agency Act
18 (50 U.S.C. 403f) is amended by adding the following new paragraph:

19 "(g) Upon the termination of the assignment of an employee
20 appointed from another Government agency without a break in service

1 for duty with the Agency for a specific period of time agreed upon
2 by both agencies, such person will be entitled to reemployment in
3 such other Government agency in the position occupied at the time
4 of assignment, or in a position of comparable salary, or, at the
5 volition of the other Government agency, to a position of higher
6 salary. Upon reemployment, the employee shall receive the within-
7 grade salary advancements and other salary adjustments he would
8 have been entitled to receive had he remained in the position in
9 which he was employed prior to assignment to the Agency. "

10 SEC. 111. Section 5 of the Central Intelligence Agency Act
11 (50 U.S.C. 403f) is amended by adding the following new paragraph:

12 "(h) Settle and pay, whenever the Director determines that
13 payment will further purposes of this Act, without regard to any
14 other provisions of law and under such regulations as the Director
15 may prescribe, in an amount not exceeding \$10,000, any claim against
16 the United States for loss of or damage to real or personal property
17 (including loss of occupancy or use thereof), belonging to, or for
18 personal injury or death of, any person not a citizen or resident of
19 the United States, where such claim arises abroad out of the act or
20 omission of any Agency employee or out of the act or omission of any

1 person acting on behalf of the Agency but only if such claim is
2 presented in writing to the Agency activity involved within one
3 year after it accrues."

4 TITLE II

5 SEC. 201. This title may be cited as the "Central Intelligence
6 Agency Retirement Act Amendments of 1967".

7 SEC. 202. The Central Intelligence Agency Retirement Act
8 of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is
9 amended by striking subsection 204 (b)(3) and inserting the following
10 in lieu thereof:

11 ³ "(3) 'Child', for the purposes of sections 221 and 232 of this
12 Act, means an unmarried child, including (i) an adopted child, and (ii)
13 a stepchild or recognized natural child who lived with the participant
14 in a regular parent-child relationship, under the age of eighteen
15 years, or such unmarried child regardless of age who because of
16 physical or mental disability incurred before age eighteen is incapable
17 of self-support, or such unmarried child between eighteen and
18 twenty-two years of age who is a student regularly pursuing a full-
19 time course of study or training in residence in a high school, trade
20 school, technical or vocational institute, junior college, college,

1 university, or comparable recognized educational institution. A
2 child whose twenty-second birthday occurs prior to July 1 or after
3 August 31 of any calendar year, and while he is regularly pursuing
4 such a course of study or training, shall be deemed for the purposes
5 of this paragraph and section 221(e) of this Act to have attained the
6 age of twenty-two on the first day of July following such birthday.
7 A child who is a student shall not be deemed to have ceased to be
8 a student during any interim between school years if the interim
9 does not exceed five months and if he shows to the satisfaction of the
10 Director that he has a bona fide intention of continuing to pursue a
11 course of study or training in the same or different school during
12 the school semester (or other period into which the school year is
13 divided) immediately following the interim. The term 'child', for
14 purposes of section 241, shall include an adopted child and a natural
15 child, but shall not include a stepchild."

16 SEC. 203. Section 221(b) of the Central Intelligence Agency
17 Retirement Act (50 U.S.C. 403 note) is amended by deleting the
18 words "or remarriage" from the first sentence, and section 232(b)
19 is amended by deleting the words "or remarriage" from the second
20 sentence.

1 SEC. 204. Section 221(e) of the Central Intelligence Agency
2 Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

3 "(e) The commencing date of an annuity payable to a child
4 under paragraph (c) or (d) of this section, or (c) or (d) of section
5 232, shall be deemed to be the day after the annuitant or participant
6 dies, with payment beginning on that day or beginning or resuming
7 on the first day of the month in which the child later becomes or
8 again becomes a student as described in section 204(b)(3), provided
9 the lump-sum credit, if paid, is returned to the fund. Such annuity
10 shall terminate on the last day of the month before (1) the child's
11 attaining age eighteen unless he is then a student as described or
12 incapable of self-support, (2) his becoming capable of self-support
13 after attaining age eighteen unless he is then such a student, (3) his
14 attaining age twenty-two if he is then such a student and not incapable
15 of self-support, (4) his ceasing to be such a student after attaining
16 age eighteen unless he is then incapable of self-support, (5) his
17 marriage, or (6) his death, whichever first occurs."

18 SEC. 205. Section 221 of the Central Intelligence Agency
19 Retirement Act (50 U.S.C. 403 note) is amended by deleting the last
20 two sentences of subsection (f), and adding the following new

1 paragraphs (g) and (h):

2 "(g) Except as otherwise provided, the annuity of a partici-
3 pant shall commence on the day after separation from the service,
4 or on the day after salary ceases and the participant meets the
5 service and the age or disability requirements for title thereto.
6 The annuity of a participant under section 234 shall commence on the
7 day after the occurrence of the event on which payment thereof is
8 based. An annuity otherwise payable from the fund allowed on or
9 after date of enactment of this provision shall commence on the day
10 after the occurrence of the event on which payment thereof is based.

11 "(h) An annuity payable from the fund on or after date of
12 enactment of this provision shall terminate (1) in the case of a
13 retired participant, on the day death or any other terminating event
14 occurs, or (2) in the case of a survivor, on the last day of the month
15 before death or any other terminating event occurs."

16 SEC. 206. Section 252 of the Central Intelligence Agency
17 Retirement Act (50 U.S.C. 403 note) is amended by deleting
18 subsection (c)(1); renumbering subsections (c)(2) and (c)(3) to read
19 (c)(3) and (c)(4); and inserting the following new subsections (c)(1)
20 and (c)(2):

1 "(c)(1) If an officer or employee under some other Govern-
2 ment retirement system becomes a participant in the system by
3 direct transfer, the Government's contributions under such retire-
4 ment system on behalf of the officer or employee shall be transferred
5 to the fund and such officer or employee's total contributions and
6 deposits, including interest accrued thereon, except voluntary
7 contributions, shall be transferred to his credit in the fund effective
8 as of the date such officer or employee becomes a participant in the
9 system. Each such officer or employee shall be deemed to consent
10 to the transfer of such funds and such transfer shall be a complete
11 discharge and acquittance of all claims and demands against the
12 other Government retirement fund on account of service rendered
13 prior to becoming a participant in the system.

14 "(c)(2) If a participant in the system becomes an employee
15 under another Government retirement system by direct transfer to
16 employment covered by such system, the Government's contributions
17 to the fund on his behalf may be transferred to the fund of the other
18 system and his total contributions and deposits, including interest
19 accrued thereon, except voluntary contributions, may be transferred
20 to his credit in the fund of such other retirement system at the request

1 of the officer or employee effective as of the date he becomes
2 eligible to participate in such other retirement system. Each
3 such officer or employee in requesting such transfer shall be
4 deemed to consent to the transfer of such funds and such transfer
5 shall be a complete discharge and acquittance of all claims and
6 demands against the fund on account of service rendered prior to
7 his becoming eligible for participation in such other system."

8 SEC. 207. Section 273 of the Central Intelligence Agency
9 Retirement Act (50 U.S.C. 403 note) is amended by deleting sub-
10 section (a); renumbering subsection (b) to read (c); and inserting
11 the following new subsections (a) and (b):

12 "(a) Notwithstanding any other provision of law, any
13 annuitant who has retired under this Act and who is reemployed
14 in the Federal Government service in any appointive position either
15 on a part-time or full-time basis shall be entitled to receive the
16 salary of the position in which he is serving plus so much of his
17 annuity payable under this Act which when combined with such
18 salary does not exceed during any calendar year the basic salary
19 such officer or employee was entitled to receive on the date of
20 his retirement from the Agency. Any such reemployed officer or

1 employee who receives salary during any calendar year in excess
2 of the maximum amount which he may be entitled to receive under
3 this paragraph shall be entitled to such salary in lieu of benefits
4 hereunder.

5 "(b) When any such annuitant is reemployed, he shall notify
6 the Director of Central Intelligence of such reemployment and shall
7 provide all pertinent information relating thereto."

8 SEC. 208. Section 291 of the Central Intelligence Agency
9 Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

10 "SEC. 291. (a) On the basis of determinations made by the
11 Director pertaining to per centum change in the price index, the
12 following adjustments shall be made:

13 "(1) Effective the first day of the third month which begins
14 after the date of enactment of this amendment each annuity payable
15 from the fund which has a commencing date not later than such
16 effective date shall be increased by (a) the per centum rise in the
17 price index, adjusted to the nearest one-tenth of 1 per centum,
18 determined by the Director on the basis of the annual average price
19 index for calendar year 1962 and the price index for the month latest
20 published on date of enactment of this amendment, plus (b) 1 1/2

1 per centum. The month used in determining the increase based on
2 the per centum rise in the price index under this subsection shall
3 be the base month for determining the per centum change in the
4 price index until the next succeeding increase occurs.

5 "(2) Each month after the first increase under this section,
6 the Director shall determine the per centum change in the price
7 index. Effective the first day of the third month which begins after
8 the price index shall have equaled a rise of at least 3 per centum
9 for three consecutive months over the price index for the base
10 month, each annuity payable from the fund which has a commencing
11 date not later than such effective date shall be increased by the
12 per centum rise in the price index (calculated on the highest level
13 of the price index during the three consecutive months) adjusted to
14 the nearest one-tenth of 1 per centum.

15 "(b) Eligibility for an annuity increase under this section
16 shall be governed by the commencing date of each annuity payable
17 from the fund as of the effective date of an increase, except as
18 follows:

19 "(1) Effective from its commencing date, an annuity payable
20 from the fund to an annuitant's survivor (other than a child entitled

1 under section 221(c)), which annuity commences the day after
2 annuitant's death and after the effective date of the first increase
3 under this section, shall be increased by the total per centum
4 increase the annuitant was receiving under this section at death.

5 "(2) For purposes of computing an annuity which commences
6 after the effective date of the first increase under this section to
7 a child under section 221(c), the items \$600, \$720, \$1,800, and
8 \$2,160 appearing in section 221(c) shall be increased by the total
9 per centum increase allowed and in force under this section for
10 employee annuities, and, in the case of a deceased annuitant, the
11 items 40 per centum and 50 per centum appearing in section 221(c)
12 shall be increased by the total per centum increase allowed and in
13 force under this section to the annuitant at death.

14 "(c) The term 'price index' shall mean the Consumer Price
15 Index (all items--United States city average) published monthly by
16 the Bureau of Labor Statistics. The term 'base month' shall mean
17 the month for which the price index showed a per centum rise
18 forming the basis for a cost-of-living annuity increase.

19 "(d) No increase in annuity provided by this section shall
20 be computed on any additional annuity purchased at retirement by

1 voluntary contributions.

2 "(e) The monthly installment of annuity after adjustment
3 under this section shall be fixed at the nearest dollar, except that
4 such installment shall after adjustment reflect an increase of at
5 least one dollar."

6 TITLE III - MISCELLANEOUS

7 SEC. 301. Section 102(b) of the Federal Employees Pay
8 Act of 1945, as amended (5 U.S.C. 902 (b)), relating to exemption
9 from coverage under the Act, is amended by striking out "and"
10 immediately preceding "(7)" therein and by inserting before the
11 period at the end thereof "; and (8) officers and employees of the
12 Central Intelligence Agency."

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, there is herewith printed in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill as reported.

EXISTING LAW

* * * * *

Central Intelligence Agency Act
of 1949, as amended, 50 U.S.C.
403 a through j.)

Sec. 3. (a) In the performance of its functions the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c)(1), (2), (3), (4), (5), (6), (10), (12), (15), (17), and sections 3, 4, 5, 6, and 10 of the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress, second session).

(b) In the exercise of the authorities granted in subsection (a) of this section, the term "Agency head" shall mean the Director, the Deputy Director, or the Executive of the Agency.

THE BILL AS REPORTED

* * * * *

Sec. 101. This title may be cited as the "Central Intelligence Agency Act Amendments of 1967".

Sec. 102. The Central Intelligence Agency Act of 1949, 63 Stat. 208, as amended (50 U.S.C. 403 a through j), is further amended as follows:

(a) Section 3 of the Act (50 U.S.C. 403c) is amended by striking subsections (a) and (b) and substituting the following:

"(a) In the performance of its functions, the Agency is authorized to exercist the authorities contained in sections 2301; 2302(2) and (3);

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(d) The power of the Agency head to make the determinations or decisions specified in paragraphs (12) and (15) of section 2(c) and section 5(a) of the Armed Services Procurement Act of 1947 shall not be delegable. Each determination or decision required by paragraphs (12) and (15) of section 2(c), by section 4 or by section 5(a) of the Armed Services Procurement Act of 1947, shall be based upon written findings made by the official making such determinations, which findings shall be final and shall be available within the Agency for a period of at least six years following the date of the determination.

Sec. 4. Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, shall--

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2303(b) and (c); 2304 (a) (1), (2), (3), (4), (5), (6), (10), (12), (15), and (17); 2305; 2306; 2307; and 2312 of title 10, United States Code."

"(b) In the exercise of the authorities granted in subsection (a) of this section, the term 'Agency head' shall mean the Director, the Deputy Director, or the Executive Director."

(b) Subsection 3(d) of the Act (50 U.S.C. 403c) is amended by deleting the words "section 2(c) and section 5(a) of the Armed Services Procurement Act of 1947" from the first sentence and substituting therefor, "section 2304(a) and section 2307 of title 10, United States Code." Section 3(d) is further amended by deleting the words "section 2(c), by section 4 or by section 5(a) of the Armed Services Procurement Act of 1947" from the second sentence and substituting therefor, "section 2304(a), by section 2306 or by section 2307 of title 10, United States Code."

Sec. 103. Section 4 of the Central Intelligence Agency Act (50 U.S.C. 403e) is amended by inserting the word and comma "abroad," after the word "assigned" in the first sentence, and by striking the last word of the sentence, "shall", and inserting in lieu thereof the word "may".

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Sec. 104. Section 4 of the Central Intelligence Agency Act (50 U.S.C. 403e) is amended by adding the following new paragraph:

"(1)(G) pay the travel expenses of officers and employees of the Agency and members of their families, while serving at posts specifically designated by the Director for purposes of this paragraph, for rest and recuperation to other locations abroad having different environmental conditions than those at the post at which such officers and employees are serving, provided that such travel expenses shall be limited to the cost for each officer or employee and members of his family of one round trip during any continuous two-year tour unbroken by home leave and two round trips during any continuous three-year tour unbroken by home leave;"

Sec. 105. Section 4 of the Central Intelligence Agency Act (50 U.S.C. 403e) is amended by adding the following new paragraph:

"(1)(H) pay the travel expenses of members of the family accompanying, preceding, or following an officer or employee if, while he is enroute to his post of assignment, he is ordered temporarily for orientation and training or is given other temporary duty."

Sec. 106. Section 4(3)(A) of the Central Intelligence Agency Act (50 U.S.C. 403e) is amended to read as follows:

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Sec. 4. (3)(A) order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter."

Sec. 4 (5)(A) in the event of illness or injury requiring the hospitalization of an officer or full-time employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable

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"(3)(A) order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence authorized in section 203(f) of the Annual and Sick Leave Act of 1951, as amended, each officer or employee of the Agency who was a resident of the United States (as described above) at the time of employment, upon completion of three years' continuous service abroad or as soon as possible thereafter, or may so order after completion of eighteen months' such service without regard to the limitation contained in section 203(f) of the Annual and Sick Leave Act of 1951, as amended."

Sec. 107. Section 4(5) of the Central Intelligence Agency Act (50 U.S.C. 403e) is amended by striking subsections (A) and (C) and inserting in lieu thereof the following new paragraphs (A) and (C):

"(A) in the event an officer or employee of the Agency, or one of his dependents, requires medical care, for illness or injury not the result of vicious habits, intemperance, or misconduct, while on assignment abroad in a locality where there is no qualified person or

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hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Director may also pay the travel expenses of an attendant;

Sec. 4 (5)(C) in the event of illness or injury requiring hospitalization of an officer or full-time employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic;

THE BILL AS REPORTED

facility to provide such care, pay the travel expenses of such officer, employee, or dependent by whatever means deemed appropriate by the Agency, including the furnishing of transportation, and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933, as amended (60 Stat 808; 5 U.S.C. 73b), to the nearest locality where suitable medical care can be obtained and on his recovery pay for the travel expenses of his return to his post of duty. If any such person is too ill to travel unattended, or in the case of a dependent too young to travel alone, the Agency may also pay the round-trip travel expenses of an attendant or attendants;"

"(C)(i) in the event of illness or injury requiring hospitalization or similar treatment incurred by an officer or employee of the Agency while on assignment abroad, not the result of vicious habits, intemperance, or misconduct on his part, pay for the cost of treatment of such illness or injury;

"(ii) in the event a dependent of an officer or employee of the Agency who is assigned abroad, incurs an illness or injury while such dependent is located abroad, which requires hospitalization or similar treatment, and which is not the result of vicious habits, intemperance,

EXISTING LAW

THE BILL AS REPORTED

or misconduct on his part, pay for that portion of the cost of treatment of each such illness or injury that exceeds \$35 up to a maximum limitation of one hundred and twenty days of treatment for each such illness or injury, except that such maximum limitation shall not apply whenever the Agency, on the basis of professional medical advice, shall determine that such illness or injury clearly is caused by the fact that such dependent is or has been located abroad;"

Sec. 108. Section 4 of the Central Intelligence Agency Act (50 U.S.C. 403e) is amended by adding the following new paragraph:

"(8) provide appropriate orientation and language training to members of family of officers and employees of the Agency in anticipation of the assignment abroad of such officers and employees, or while abroad."

* * * * *

* * * * *

National Security Act of 1947,
as amended, (50 U.S.C. 405)

Sec. 303(a). The Director of the Office of Civil and Defense Mobilization, the Director of Central Intelligence, and the National Security Council,

Sec. 109. Section 5 of the Central Intelligence Agency Act (50 U.S.C. 403f) is amended by adding the following new paragraph:

EXISTING LAW

acting through its Executive Secretary, are authorized to appoint such advisory committees and to employ, consistent with other provisions of this Act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or positions under the United States for which they receive compensation, while serving as members of such committees, shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed \$50 for each day of service, as determined by the appointing authority.

* * * * *

Central Intelligence Agency Act of 1949, as amended, (50 U.S.C. 403 a through j.)

THE BILL AS REPORTED

"(f) Appoint advisory committees and employ, notwithstanding any other provisions of law, part-time advisory personnel necessary to carry out the functions of the Agency. Persons holding other offices or positions under the United States for which they receive compensation, while serving as members of such committees, shall receive no additional compensation for such service. Other members of such committees and part-time advisory personnel so employed may serve without compensation or may receive compensation at rates determined by the Director, not to exceed \$100 per day for the assignment or position."

* * * * *

Sec. 110. Section 5 of the Central Intelligence Agency Act (50 U.S.C. 403f) is amended by adding the following new paragraph:

"(g) Upon the termination of the assignment of an employee appointed from another

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Government agency without a break in service for duty with the Agency for a specific period of time agreed upon by both agencies, such person will be entitled to reemployment in such other Government agency in the position occupied at the time of assignment, or in a position of comparable salary, or, at the volition of the other Government agency, to a position of higher salary. Upon reemployment, the employee shall receive the within-grade salary advancements and other salary adjustments he would have been entitled to receive had he remained in the position in which he was employed prior to assignment to the Agency."

Sec. 111. Section 5 of the Central Intelligence Agency Act (50 U.S.C. 403f) is amended by adding the following new paragraph:

"(h) Settle and pay, whenever the Director determines that payment will further the purposes of this Act, without regard to any other provisions of law and under such regulations as the Director may prescribe, in an amount not exceeding \$10,000, any claim against the United States for loss of or damage to real or personal property (including loss of occupancy or use thereof), belonging to, or for personal injury or death of,

any person not a citizen or resident of the United States, where such claim arises abroad out of the act or omission of any Agency employee or out of the act or omission of any person acting on behalf of the Agency but only if such claim is presented in writing to the Agency activity involved within one year after it accrues."

Sec. 201. This title may be cited as the "Central Intelligence Agency Retirement Act Amendments of 1966."

Sec. 202. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees, (78 Stat. 1043; 50 U.S.C. 403 note) is amended by striking subsection 204(b)(3) and inserting the following in lieu thereof:

"(3) 'Child', for the purposes of sections 221 and 232 of this Act, means an unmarried child, including (i) an adopted child, and (ii) a stepchild or recognized natural child who lived with the participant in a regular parent-child

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the participant in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 221(e) of this Act to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Director that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.

THE BILL AS REPORTED

relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support, or such unmarried child between eighteen and twenty-two years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-second birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 221(e) of this Act to have attained the age of twenty-two on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed five months and if he shows to the satisfaction of the Director that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim. The term 'child', for purposes of section 241, shall include an adopted child and a natural child, but shall not include a stepchild."

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Sec. 221(b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death or remarriage of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 55 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by 2 1/2 per centum of any amount up to \$3,600 he specified as the base for the survivor benefit plus 10 per centum of any amount over \$3,600 so specified.

Sec. 232. (b) If a participant, who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252 (a)(2), dies before separation or retirement from the Agency and is survived by a widow or dependent widower, as defined in section 204, such widow or dependent widower shall be entitled to an annuity equal to 55 per centum of the annuity computed in accordance with the provisions of section 221(a). The annuity of such widow or dependent widower shall

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Sec. 203. Section 221(b) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting the words "or remarriage" from the first sentence, and section 232(b) is amended by deleting the words "or remarriage" from the second sentence.

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commence on the date following death of the participant and shall terminate upon death or remarriage of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

Sec. 221. (e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the day after the participant dies, and such annuity or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 204(b)(3) of this Act shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one.

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Sec. 204. Section 221(e) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

"(e) The commencing date of an annuity payable to a child under paragraph (c) or (d) of this section, or (c) or (d) of section 232, shall be deemed to be the day after the annuitant or participant dies, with payment beginning on that day or beginning or resuming on the first day of the month in which the child later becomes or again becomes a student as described in section 204(b)(3), provided the lump-sum credit, if paid, is returned to the fund. Such annuity shall terminate on the last day of the month before (1) the child's attaining age eighteen unless he is then a student as described or incapable of self-support, (2) his becoming capable of self-support after attaining age eighteen unless he is then such a student, (3) his attaining age twenty-two if he is then such a student and not incapable of self-support, (4) his ceasing to be such a student after attaining age eighteen unless he is then incapable of self-support, (5) his marriage, or (6) his death, whichever first occurs."

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Sec. 221. (f) Any unmarried participant retiring under the provisions of this Act and found by the Director to be in good health may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest (as that term is used in section 9(h) of the Civil Service Retirement Act (5 U.S.C. 2259(h))) in the participant to receive an annuity after the participant's death. The annuity payable to the participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section, and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the participant, but such total reduction shall not exceed 40 per centum. The annuity of a survivor designated under this paragraph shall be 55 per centum of the reduced annuity computed as prescribed above. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

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Sec. 205. Section 221 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting the last two sentences of subsection (f), and adding the following new paragraphs (g) and (h):

"(g) Except as otherwise provided, the annuity of a participant shall commence on the day after separation from the service, or on

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See 221(f) above.

Sec. 252. (c)(1) If an officer or employee under some other Government retirement system becomes a participant in the system

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the day after salary ceases and the participant meets the service and the age or disability requirements for title thereto. The annuity of a participant under section 234 shall commence on the day after the occurrence of the event on which payment thereof is based. An annuity otherwise payable from the fund allowed on or after date of enactment of this provision shall commence on the day after the occurrence of the event on which payment thereof is based.

"(h) An annuity payable from the fund on or after date of enactment of this provision shall terminate (1) in the case of a retired participant, on the day death or any other terminating event occurs, or (2) in the case of a survivor, on the last day of the month before death or any other terminating event occurs."

Sec. 206. Section 252 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting subsection (c)(1); renumbering subsections (c)(2) and (c)(3) to read (c)(3) and (c)(4); and inserting the following new subsections (c)(1) and (c)(2):

"(c)(1) If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, the

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by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

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Government's contributions under such retirement system on behalf of the officer or employee shall be transferred to the fund and such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to his credit in the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

"(c)(2) If a participant in the system becomes an employee under another Government retirement system by direct transfer to employment covered by such system, the Government's contributions to the fund on his behalf may be transferred to the fund of the other system and his total contributions and deposits, including interest accrued thereon, except voluntary contributions, may be transferred to his credit in the fund of such other retirement system at the request of the officer or employee effective as of the day he becomes eligible to participate in

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Sec. 273. (a) Notwithstanding any other provision of law, any annuitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive his annuity payable under this Act, but there shall be deducted from his salary a sum equal to the annuity allocable to the period of actual employment.

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such other retirement system. Each such officer or employee in requesting such transfer shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the fund on account of service rendered prior to his becoming eligible for participation in such other system."

Sec. 207. Section 273 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting subsection (a); renumbering subsection (b) to read (c); and inserting the following new subsections (a) and (b):

"(a) Notwithstanding any other provision of law, any annuitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive on the date of his retirement from the Agency. Any such reemployed officer or employee who receives salary during any calendar year in

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Sec. 291. (a) On the basis of determinations made by the Civil Service Commission pursuant to section 18 of the Civil Service Retirement Act, as amended, pertaining to per centum change in the price index, the following adjustments shall be made:

(1) Effective April 1, 1966, if the change in the price index from 1964 to 1965 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1965, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

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excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

"(b) When any such annuitant is reemployed, he shall notify the Director of Central Intelligence of such reemployment and shall provide all pertinent information relating thereto."

Sec. 208. Section 291 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

"Sec. 291. (a) On the basis of determinations made by the Director pertaining to per centum change in the price index, the following adjustments shall be made:

"(1) Effective the first day of the third month which begins after the date of enactment of this amendment each annuity payable from the fund which has a commencing date not later than such effective date shall be increased by (a) the per centum rise in the price index, adjusted to the nearest one-tenth of 1 per centum, determined by the Director on the basis of the annual average price index for calendar year 1962 and the price index for the month latest

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(2) Effective April 1 of any year other than 1966 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 221(c)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 221(c)), which annuity commences the day after

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published on date of enactment of this amendment, plus (b) 1 and 1/2 per centum. The month used in determining the increase based on the per centum rise in the price index under this subsection shall be the base month for determining the per centum change in the price index until the next succeeding increase occurs.

"(2) Each month after the first increase under this section, the Director shall determine the per centum change in the price index. Effective the first day of the third month which begins after the price index shall have equaled a rise of at least 3 per centum for three consecutive months over the price index for the base month, each annuity payable from the fund which has a commencing date not later than such effective date shall be increased by the per centum rise in the price index (calculated on the highest level of the price index during the three consecutive months) adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

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the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 221(c), the items \$600, \$720, \$1,800, and \$2,160 appearing in section 221(c) shall be increased by the total per centum increase allowed and in force under this section and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 221(c) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 221(c) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

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"(1) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 221(c)), which annuity commences the day after annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(2) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 221(c), the items \$600, \$720, \$1,800, and \$2,160 appearing in section 221(c) shall be increased by the total per centum increase allowed and in force under this section for employee annuities, and, in the case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 221(c) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death.

"(c) The term 'price index' shall mean the Consumer Price Index (all items--United States city average) published monthly by the Bureau of Labor Statistics. The term 'base month' shall mean the month for which the price index showed a per centum rise forming the basis for a cost-of-living annuity increase.

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"(d) No increase in annuity provided by this section shall be computed on any additional annuity purchase at retirement by voluntary contributions.

"(e) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar, except that such installment shall after adjustment reflect an increase of at least one dollar."

* * * * *

Federal Employees Pay Act of 1945,
as amended, (5 U.S.C. 902(b))

* * * * *

Sec. 301. Section 102(b) of the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 902(b)), relating to exemption from coverage under the Act, is amended by striking out "and" immediately preceding "7" therein and by inserting before the period at the end thereof "; and (8) officers and employees of the Central Intelligence Agency."

HOUSE COMMITTEE ON ARMED SERVICES - Subcommittee No. 1

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Charles E. Bennett (D., Fla.)
Samuel S. Stratton (D., N.Y.)
William J. Randall (D., Mo.)
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William L. Dickinson (R., Ala.)

A BILL

To amend the Central Intelligence Agency Retirement Act of 1964
for Certain Employees, and for other purposes.

With one exception, Section 2, the provisions of the proposed bill were approved in H.R. 16306 passed by the House of Representatives on October 3, 1966. The various sections of the bill are identified below with changes from H.R. 16306 language noted wherever appropriate. Some twelve sections of H.R. 16306, each relating to various administrative matters, are not contained in this bill.

Corrected Bill

- Section 1 - Definition "Child"
same as Sec. 202, H.R. 16306
- Section 2 - Computation of Annuities
new*
- Section 3 - Widow's Annuity
same as Sec. 203, H.R. 16306
- Section 4 - Child's Annuity
same as Sec. 204, H.R. 16306
- Section 5 - Annuity Commencement Date
same as Sec. 205, H.R. 16306
- Section 6 - Transfer of Contributions
same as Sec. 206, H.R. 16306**
- Section 7 - Reemployment of Annuitants
same as Sec. 207, H.R. 16306

Section 8 - Cost-of-Living Adjustment

Corrected Bill (con't)

Section 9 - Federal Employees Pay Act
same as Sec. 301, H.R. 16306, word changes due to
codification of Title 5, U.S.C. ****

Deletions From H.R. 16306

Section 101 - Short Title (Title I)

Section 102 - Updating Procurement Act Citations and Correcting
"Executive"

Section 103 - Travel Expenses made permissive and defining "Abroad"

Section 104 - Rest and Recuperation

Section 105 - Family Travel Expenses for Temporary Duty

Section 106 - Home Leave

Section 107 - Medical Care - Hospitalization

Section 108 - Language Training

Section 109 - Advisory Personnel

Section 110 - Reemployment Rights

Section 111 - Claims Authority

Section 201 - Short Title (Title II)

Notes

* Computation of Annuity. This section increases the number of years service that may be included in computing the annuity of an individual from 35 years to 40 years and will conform the computation of these annuities to the computation of Civil Service Retirement annuities. A similar amendment to the Foreign Service Act was approved by the Senate in June, 1967 and is now under consideration in the House.

Notes (con't)

** Transfer of Contributions. The words "heretofore or hereafter" were inserted to clarify the intent that Government contributions which are made for each individual under a federal retirement system, shall be transferred to the fund for each person who is now a participant in the system as well as for those who may transfer into the system in the future.

*** Cost-of-Living Adjustment. The changes in the subsection were required due to the cost-of-living adjustment which was made on 1 April 1967 under the existing Agency retirement authority. Further changes in wording were made to assure that the Agency retirement system is brought into phase with Civil Service, both as to increases currently in force and those that are made in the future.

**** Federal Employees Pay Act. The section is substantively identical with Section 301, H.R. 16306, but word changes are required to equate to the codification since that time of the provisions of Title 5, United States Code.